GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA&UD Department – Andhra Pradesh Reorganisation Act, 2014 – Demerger of Government Bodies – Recommendations of the Expert Committee for Demerger of Andhra Pradesh Rajiv Swagruha Corporation Limited – Accepted – Orders – Issued.

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UH) DEPARTMENT

**G.O.MS.No. 25** **Dated: 11-01-2018**

**Read the following:-**

1. G.O.Rt.No.223, Industries & Commerce (SR) Department, dt.30.5.2014.
2. From the Secretary, Expert Committee of Demerger of IX Schedule Institutions Lr.No.3685/INF (SRC)/2014, dt.24.8.2017.
3. From Ex.Officio Principal Secretary to Government, General Administration (SR) Department UO Note. No.1588/GAD/ SR/ADMP/ 2017, dt.22.9.2017.

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**O R D E R:-**

In the minutes of the Meeting of the Expert Committee held on 4th March, 2017, 18th April, 2017 and 4th May, 2017, the demerger plan of M/s Andhra Pradesh Rajiv Swagruha Corporation Ltd and M/s Telangana Rajiv Swagruha Corporation Ltd. submitted by the Managing Directors of both States has been approved.

2. For distribution of employees, it has been informed to the Expert Committee that the GoAP has sanctioned 786 posts under different categories to M/s AP Rajiv Swagruha Corporation Limited in G.O.Ms.No.28, Housing (HB.I) Department, dt.30.8.2007 and G.O.Ms.No.35, Housing (HB.I) Department, dt.13.12.2007. But the Corporation has not appointed any regular permanent employee against the created posts and drawn employees on deputation basis from other Government Departments to conduct day to day activities and there are no regular or permanent employees in M/s AP Rajiv Swagruha Corporation Ltd., as on 2.6.2014. Therefore, the issue of division of employees does not arise in respect of M/s AP Rajiv Swagruha Corporation Ltd. Further, the sanctioned posts of 786 are apportioned in the population ratio and accordingly allotted 456 posts to APRSCL and the balance 330 posts to TSRSCL. Posts in the Head Office were apportioned on population basis and the posts in the fields have been apportioned on location basis between two states. There are total 123 posts in Head Office in different categories. 71 posts were apportioned to Andhra Pradesh and 52 posts were apportioned to Telangana State. In the field, there are total 663 posts in various categories. Out of these, 385 posts were apportioned to Andhra Pradesh and 278 posts were apportioned to Telangana State.

3. The Expert Committee mentioned that the Assets & Liabilities of the Corporation were apportioned as per the Audited Financial Statements as on 1st June, 2014. Apportioned independent Balance Sheet for APRSCL indicates Assets & Liabilities of Rs.372.50 crores and balance sheet for TSRSCL indicates

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Assets & Liabilities of Rs.2492.52 crores. In the Assets & Liabilities statement, the Land Cost was taken as per the rate mentioned in the respective alienation GOs. An extent of 752.09 acres of land which are all located in Telangana State were originally mortgaged with Banks/ Financial Institutions against the loan borrowed and the present outstanding liability including interest is Rs.994.94 crores.

4. As per the Demerger proposal, the outstanding Bank loan liability of Rs.994.94 crores is distributed as per the actual usage for the projects located in both the States of Telangana and Andhra Pradesh which is coming to Rs.942.29 crores for Telangana and Rs.52.65 crores for Andhra Pradesh. On demerger, the residuary State of Andhra Pradesh has to mortgage its own lands to the extent of its liability duly relieving the lands which are already mortgaged.

5. Contingency & statutory liabilities and its court cases i.e Service Tax and Income Tax on bifurcation of the State will be dealt by Telangana State only as the demand/ order raised against sale of Flats/Independent Houses of Projects are located in Telangana State.

6. In the reference 3rd read above, the General Administration (SR) Department have also requested to issue final orders on the Demerged proposals recommended by the Expert Committee, as the consent of Government of Telangana is not required for this purpose.

7. Government after careful examination of the matter hereby accept the recommendations of the Expert Committee dated 4th March, 2017, 18th April, 2017 and 4th May, 2017 for demerger of the M/s Andhra Pradesh Rajiv Swagruha Corporation Limited.

8. The Managing Director, Andhra Pradesh Rajiv Swagruha Corporation Limited, Vijayawada shall take necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director,
Andhra Pradesh Rajiv Swagruha Corporation Limited, Vijayawada.
The Member Secretary to Advisory Committee,
AP Reorganisation & EO Prl.Secretary to Government,
General Administration (SR) Department, Hyderabad.
The General Administration (SR) Department, Hyderabad.
The MA&UD Department.
PS to Spl.CS to Hon'ble Chief Minister.
PS to Minister (MA).
PS to Chief Secretary.
PS to Prl.Secretary, MAUD Department.
Sf/Sc.

// FORWARDED :: BY ORDER //

SECTION OFFICER